

Questions? Call: **(317) 232-2339**

Instructions for Biodiesel Tax Credits (BD-100)

- Indiana Code (IC) 6-3.1-27 provides biodiesel credits to Indiana producers, blenders and retailers. Biodiesel is defined as a renewable, biodegradable, mono alkyl ester combustible liquid fuel derived from agricultural plant oils or animal fats that meets American Society for Testing and Material specification D6751-03a Standard Specification for biodiesel fuel (B100) blend stock for Distillate Fuels.

- The biodiesel production credit and blended biodiesel credits are each limited to a maximum of \$3 million per taxpayer for all taxable years but may be increased to \$5 million for the biodiesel production credit with prior approval from the Indiana Economic Development Corporation (IEDC). The total of credits allowed for biodiesel production, biodiesel blending and ethanol production (allowed under IC 6-3.1-1-28) is capped at \$50 million for all taxable years of which at least \$4 million is provided for each type of production.

- The credit for sellers of blended biodiesel fuel to end users may not exceed \$1 million for all taxpayers for all taxable years. This credit expires on December 31, 2010, or when the \$1 million cap is reached. See Income Tax Information Bulletin 91.

Who may file for this credit?

A **producer** (certified by the IEDC) who is producing biodiesel at an Indiana facility which will be used to produce blended biodiesel; and or

A **blender** (certified by the IEDC) who purchases biodiesel produced at an Indiana facility and produces blended biodiesel at an Indiana facility.

A **retailer** is a person who distributes blended biodiesel at retail to the end user in Indiana.

How often can I file a tax credit application claim?

A claim for credit can be filed monthly, quarterly, semiannually, or annually. Credits will be approved by the Department until the maximum amount of credit for each category has been reached.

Section A - Taxpayer Information

- 1) Type or print name and location address.
- 2) Enter Indiana Taxpayer ID number (TID).
- 3) Enter Federal ID number (FID).

Section B - Biodiesel Production Credit

Note: Attach certification from the IEDC.

- 1) Enter total gallons of biodiesel produced at an Indiana location.
- 2) Enter total gallons of biodiesel sold to biodiesel blenders.
- 3) Multiply the number of gallons from Line 2 by \$1.00. Enter the total amount of Indiana credit for biodiesel production.
- 4) Create and attach a schedule to include the name, address, TID and number of gallons sold to each Indiana blender.

Section C - Blended Biodiesel Credit

Note: Only blended biodiesel produced from Indiana biodiesel is eligible for the credit. Attach certification from IEDC.

- 1) Enter the total gallons of biodiesel purchased from all sources.
- 2) Enter the total gallons of biodiesel purchased from Indiana producers.
- 3) Enter the total gallons of blended biodiesel generated from the gallons shown on Line 2 and blended in an Indiana facility.
- 4) Multiply the number of gallons from Line 3 by \$.02. Enter the total amount of Indiana credit for blended biodiesel.

Section D - Retail Sale of Blended Biodiesel Credit

Note: Only blended biodiesel sold to an end user in Indiana is eligible for the credit. The \$1 million cap for this credit has been reached and is no longer available.

- 1) Enter the total gallons of blended biodiesel dispensed at retail to an end

user in Indiana.

- 2) Multiply the total gallons from Line 1 by \$.01. Enter total amount of Indiana credit for blended biodiesel sold.

Section E - Application of Tax Liability Credits

Please indicate how you anticipate using this credit by checking the appropriate box(s). Combine the amount of credits from sections B, C and D to be applied against the tax selected.

Note: You may not use the credit to offset or reduce the Indiana Gross Retail Sales Tax you collected from your customers.

Section F - Signature

This claim must be signed by the taxpayer or an authorized agent. If necessary, a properly executed Power of Attorney form must accompany the application.

How soon will I receive my tax credit approval?

The credit claims will be reviewed in the order in which they are received. Processing time will vary depending on the number of credit applications received. Incomplete credit applications will be delayed until we are able to obtain the required information from you. Inquiries regarding processing procedures or the status of your claim may be directed to the Compliance Division at (317) 232-2339.

Where do I send my biodiesel tax credit application claim?

Form BD-100 can be faxed to: (317) 233-3064 or

Mail form to: Indiana Department. of Revenue
Biodiesel Tax Credit
100 N. Senate Ave., Rm. N203
Indianapolis, IN 46204

Where can I claim this credit?

The Biodiesel Credits can be applied as a credit against the taxpayer's sales/use tax (IC 6-2.5), adjusted gross income tax (IC 6-3-1 to 6-3-7), financial institution tax (IC 6-5.5), and insurance premium tax (IC 27-1-18-2). A copy of the approved BD-100 must be attached to the return or the credit will be disallowed. The credit amount approved on the BD-100 is to be taken as a credit against your tax liability on the return of your choice. Please see instructions for your tax returns to determine where the credit should be entered on the various tax forms.

What if I do not use all of my credit?

Any unused credit may be carried forward for up to six years, or until all credits have been used. You may claim the credit on more than one return up to the maximum credit approved on the BD-100.

Note: A taxpayer is not entitled to a carry-back or refund of any unused credit. The statute does allow for you to carry forward any unused credit.

What if I am an entity exempt from adjusted gross income tax?

Entities exempt from adjusted gross income tax under IC 6-3-2-2.8(2) may "pass through" the credit to shareholders, partners or members of the pass through entity. A pass through entity means an S corporation, partnership, limited liability company or a limited liability partnership. Each member's tax credit is calculated by multiplying the total credit available by the percentage of the entity's distributive income to which the shareholder, partner, or member is entitled.

The pro rata share of the approved credit is reported by the entity on each unit-holder's Schedule IN-K-1. Attach to the return a copy of Form BD-100 or IN-K-1 when claiming your share of the credit.